

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF TENNESSEE
SOUTHERN DIVISION

IN RE:

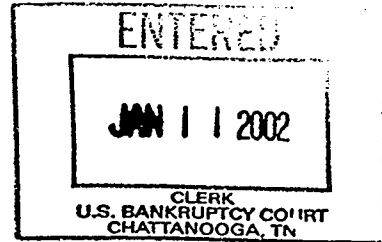
CASE NO. 01-17271

NORTH AMERICAN ROYALTIES, INC.,)
WHELAND HOLDING COMPANY, INC.,)
WHELAND MANUFACTURING)
COMPANY, INC., and WHELAND)
FOUNDRY, LLC,)

CHAPTER 11

JOINTLY ADMINISTERED

Debtors.



ORDER

This matter came on for hearing on January 11, 2001, upon the Emergency Motion to Lift Stay and to Establish Procedures for Tennessee Workers Compensation Claims and Self Insurance Deposit with State of Tennessee filed by the State of Tennessee. Represented at the hearing were the Debtors, the State of Tennessee, one of the bonding companies that have written bond coverage for the Debtor, and several workers compensation claimants. Based upon the comments and arguments presented by the parties at the hearing and the record as a whole, the Court finds that the Commissioner for the Department of Commerce and Insurance should be allowed to bring an action in the Chancery Court for Hamilton County, Tennessee, for resolution of these matters and all disputes regarding payment of claims; and it is hereby

. ORDERED that the automatic stay of 11 U.S.C. §362 be lifted with regard to administering any bonds held by the State of Tennessee for the benefit of Debtors' injured workers subject to workers compensation benefits under State law, T.C.A. §50-6-



101 et. eq., solely to the extent and for the purpose of the State bringing an action to administer the bonds to be brought in the Chancery Court of Hamilton County, Tennessee. It is further

ORDERED that the bonding companies tender funds called by the State of Tennessee for the payment of workers compensation benefits ^{pursuant to an order} ~~to be held subject to further~~ order of the Chancery Court of Hamilton County, Tennessee. It is further

ORDERED that this Order stays any other claims filed in any state or federal court against the State of Tennessee, the Debtors, or the bonding companies with respect to claims against the bonds. It is further

ORDERED that any claim not filed in a timely ^{manner} ~~matter~~ in the State Court proceeding to administer the bonds shall be dealt with in this proceeding as a late filed claim for distribution purposes under the Bankruptcy Code. It is further

ORDERED that the automatic stay of 11 U.S.C. §362 be lifted to allow any Tennessee workers' compensation claimant to proceed in State Court to the extent that recovery in such action is covered and payable directly to the employee by a policy of insurance other than the bonds being administered in the Chancery Court by the Department; but such claimant may only recover in said action to the extent of insurance coverage. It is further

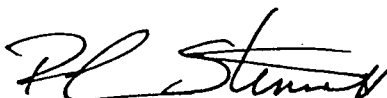
ORDERED that any pleadings filed in the State case shall also be served on the Debtors, the U.S. Trustee, and counsel for the Official Unsecured Creditors Committee. It is further

ORDERED that the Debtors are to be fully cooperative with the Commissioner regarding the administration of the bonds in all respects, including turnover of copies of

all requested records, necessary to the administration of the bonds, all records of all workers compensation activities, all policies with third party administrators, and present and past employees lists, including paper and computer records, in its possession and control. It is further

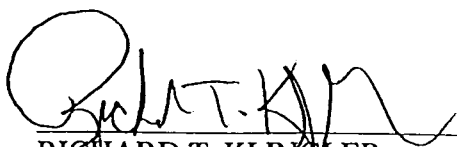
ORDERED that the third party administrator(s) be ordered to fully cooperate with the Commissioner with regard to the bonds in all respects, including turnover of all requested records, records of all workers compensation activities, all policies with third party administrators, including paper and computer records, in its possession. It is further

ORDERED that all attorneys representing injured workers, and the injured workers themselves, are ordered to fully cooperate with the Commissioner regarding the bonds in all respects, including turnover of all requested records, including records of all workers compensation activities and medicals. *as may be ordered by the Chancery Court for Hamilton County.*
At Chattanooga, Tennessee.



R. THOMAS STINNETT
UNITED STATES BANKRUPTCY JUDGE

PREPARED FOR ENTRY:



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